

**TRABUCO CANYON WATER DISTRICT
FINANCE/AUDIT COMMITTEE MEETING RECAP
DECEMBER 1, 2010**

DIRECTORS PRESENT

Jim Haselton, Committee Chair
Mike Safranski, Committee Member

STAFF PRESENT

Don Chadd, General Manager
Teresa Teichman, District Secretary
Hector Ruiz, District Engineer
Karen Warner, Accounting Technician
Michael Perea, Special Projects Manager

PUBLIC PRESENT

No members of the public were present.

CALL MEETING TO ORDER

Committee Chair Haselton called the December 1, 2010 Finance/Audit Committee Meeting to order at 7:01 a.m.

VISITOR PARTICIPATION

Public comments were announced. No comments were received.

ORAL COMMUNICATION

Oral communication was announced. No comments were received.

COMMITTEE MEMBER COMMENTS

Director Safranski commented staff may want to look at scheduling a tour of the Wells Facility Upgrade Project for the Directors as the project nears completion. General Manager, Mr. Don Chadd advised staff will schedule early in 2011.

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REPORT FROM THE GENERAL MANAGER

Mr. Chadd commented on the festive holiday decorations in the customer service area and the professional look in the administrative office with TCWD Customer Service staff in uniform.

FINANCIAL MATTERS

ITEM NO. 1) FINANCE/AUDIT COMMITTEE MEETING RECAP

The November 3, 2010 Finance/Audit Committee Meeting Recap was presented to the Committee. No changes were made.

Recommendation: *The Committee recommended that the November 3, 2010 Finance/Audit Committee Meeting Recap be received and filed by the Board. (Consent Calendar).*

**ITEM NO. 2) RATIFICATION OF DIRECTORS' FEES AND EXPENSES
AND FUTURE MEETINGS**

The Committee reviewed this matter.

Recommendation: *The Committee recommended that the Board ratify the Directors' expenses for November 2010 and fees for October 2010. (Consent Calendar.)*

**ITEM NO. 3) STATUS UPDATE RELATING TO WATER MONITORING
AND WATER CONSERVATION EFFORTS**

Mr. Chadd reviewed the graphs and data provided by MWDOC as of November 17, 2010. Mr. Chadd reminded the committee the recent rains have resulted in less water sales which is very good from a conservation stand point, however, it is causing less water sales than anticipated in the 2010/2011 Fiscal Year budget.

Recommendation: *The Committee received and filed the status update. No action necessary.*

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**ITEM NO. 4) DISCUSSION AND POSSIBLE ACTION RELATING TO
COMMUNITY OUTREACH; FUNDING ELEMENTARY
SCHOOL WATER EDUCATION AND FIELD TRIP**

Mr. Chadd relayed information from a previous meeting between TCWD staff and staff from the Discovery science center. Mr. Chadd advised that MWDOC has cut educational funding to public schools which resulted in an approximate shortfall of \$657 for TCWD's two elementary schools within the District boundaries. He advised TCWD is paying this amount to allow K – 6 grade students in the District to have the same educational opportunity.

Discussion occurred relating to the importance of water education in general and conservation practices in particular to young students in order to start them on the appropriate path of becoming a life-long wise water user and to understand and learn the roll they have in promoting the sustainability of this recourse.

Recommendation: *The Committee authorized the General Manager to move forward with funding the classroom education and Discovery Center field trip through MWDOC, not to exceed \$657.85.*

**ITEM NO. 5) DISCUSSION RELATING TO PROPOSED WATER RATE
ADJUSTMENT**

Mr. Chadd reviewed information received from both MWDOC and MET in regard to rate histories and projected water rates along with both agencies fiscal year 2010/2011 adopted rate increase to water purveyors. Discussion occurred concerning the percentage of increase from TCWD's wholesale water seller along with the increase in electrical and chemical costs over the past years which have been absorbed by the District.

Mr. Chadd discussed a 'Stop the Rate Hike' notice which has been posted within the District along with an e-mail circulation of a rate protest. Discussion occurred concerning more education through On-Tap along with further website information in order to provide opportunity to District customers to communicate their concerns to their elected MWDOC Region 6 representative.

Discussion occurred relating to possible adjournment of Item 1F of the Public Hearing if the number of protest letters received are close to a majority in order allow adequate time to perform a qualified count. This would allow sufficient time to verify the protest letters as "qualified".

Recommendation: *The Committee received the information. No action required.*

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ITEM NO. 6) OTHER MATTERS

There were no other items discussed.

**ITEM NO. 7A) PRESENTATION OF AUGUST, 2010 UNAUDITED
FINANCIAL STATEMENT**

Mr. Chadd reviewed the October 31, 2010 preliminary unaudited financial statement. Information was reviewed including total assets, liabilities and retained earnings, WRES balance demonstrating a dedicated revenue source, and investment schedule.

Recommendation: *The Committee recommended that the Board receive and file the October 31, 2010 preliminary unaudited financial statement, as presented. (Consent Calendar).*

ITEM NO. 7B) BILLS FOR CONSIDERATION

The bills for consideration were presented.

Recommendation: *The Committee recommended that the Board ratify payment of November 16, 2010 bills for consideration in the amount of \$194,125.97 and the December 1, 2010 bills for consideration in the amount of \$323,427.74 and the November 2010 payroll in the amount of \$159,842.32, as presented. (Consent Calendar).*

ADJOURNMENT

Committee Chair Haselton adjourned the December 1, 2010 Finance/Audit Committee Meeting at 7:56 a.m.